

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	
	§	
ELITE BAYWOOD, L.P.	§	CASE NO. 10-31760
	§	
and	§	
	§	CASE NO. 10-31774
ARTHUR SQUARE APARTMENTS, L.P.	§	
	§	Jointly Administered Under
Debtors	§	CASE NO. 10-31760

**FIRST NATIONAL BANK'S OBJECTION TO
MOTION TO DISMISS FILED BY
ARTHUR SQUARE APARTMENTS, L.P.**

TO THE HONORABLE JUDGE OF SAID COURT:

First National Bank ("Bank") files this its Objection to the Motion to Dismiss filed by Arthur Square Apartments, L.P., and would show the Court as follows:

1. Bank admits Paragraphs 1 through 4 of the Motion.
2. Bank denies Paragraph 5 of the Motion.
3. Bank has requested that the Debtor, Arthur Square Apartments, L.P., provide it with a final accounting on its use of cash collateral during the pendency of this Chapter 11 proceeding. Bank objects to dismissal of the case prior to Arthur Square's accounting for its use of the Bank's cash collateral.

WHEREFORE, PREMISES CONSIDERED, Bank requests that the case not be dismissed until such time as Arthur Square has provided a full accounting of its use of the Bank's cash collateral.

Respectfully submitted,

CHERNOSKY, SMITH, RESSLING & SMITH, PLLC

By: /S/ L. DAVID SMITH

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Attorneys for First National Bank

CERTIFICATE OF SERVICE

I, L. David Smith, hereby certify that a true and correct copy of the foregoing has been served upon the parties listed below by first class mail, postage prepaid, on the 8th day of October, 2010:

DEBTOR:

Arthur Square Apartments, LP
P.O. Box 927010
San Diego, CA 92192
Via First Class Mail

DEBTOR'S COUNSEL:

Mr. Edward L. Rothberg
Ms. Annie E. Catmull
Hoover Slovacek LLP
5847 San Felipe, Suite 2200
Houston, Texas 77057
Telephone: (713) 977-8686
Via Electronic Notice

U.S. TRUSTEE:

Diane G. Livingstone
U. S. Trustee
Bob Casey Federal Building
515 Rusk, 3rd Floor, Suite 3516
Houston, Texas 77002
Via Electronic Notice

/s/ L. David Smith
L. DAVID SMITH